

LEGISLATIVE UPDATE

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OVERVIEW

- **PROCESS**
- **METRICS**
- **STATUS**

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STANDARD PROCESS FOR LEGISLATIVE CHANGES

- DRAFT LEGISLATION IN PROPER FORMAT
- COORDINATION
 - AIR FORCE
 - GENERAL COUNSEL
 - JUDGE ADVOCATE
 - LEGISLATIVE LIAISON
 - ASSISTANT SECRETARY (ACQUISITION)
 - ASSISTANT SECRETARY (FINANCIAL MANAGEMENT AND COMPTROLLER)
 - CHIEF OF STAFF
 - SECRETARY OF THE AIR FORCE
 - OSD
 - REVIEW BY OSD AND OTHER SERVICES
 - OMB
 - REVIEW BY OTHER APPLICABLE AGENCIES
- CONGRESS

STREAMLINED PROCESS FOR LEGISLATIVE CHANGES

- **DRAFT LEGISLATION**
- **COORDINATION**
 - **AIR FORCE ASSISTANT SECRETARY (ACQUISITION)**
 - **DUSD(AR)**
 - **OSD**
 - **REVIEW BY OSD AND OTHER SERVICES**
 - **OMB**
 - **REVIEW BY OTHER APPLICABLE AGENCIES**
- **CONGRESS**

ACTUAL PROCESS FOR FY98 OMNIBUS PROPOSALS

<i>12 AUG 96</i>	DUSD(AR) CALL FOR PROPOSALS
<i>26 AUG 96</i>	AQC SUBMITTED PROPOSALS TO AQX
<i>23 SEP 96</i>	AQX SUBMITTED PROPOSALS TO DUSD(AR)
<i>04 NOV 96</i>	FIRST OF A NUMBER OF OSD LEGISLATIVE PACKAGES TO AIR FORCE FOR REVIEW
<i>10 JAN 97</i>	FIRST OSD PACKAGE TO OMB
<i>23 JAN 97</i>	SECOND OSD PACKAGE TO OMB
<i>12 MAR 97</i>	OSD DRAFT FY98 DOD AUTHORIZATION BILL TO CONGRESS

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FY98 OMNIBUS LEGISLATIVE PROPOSALS

TOTAL PROPOSALS CONTRACTING RELATED PROPOSALS

Total Proposals Submitted	308	Total Contracting Related	71
Submitted to OMB	197	Submitted to OMB	38
Submitted to Congress	103 (33.4%)	Submitted to Congress	13 (18.3%)

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AQC SUBMITTALS

MICRO-PURCHASES:

RAISE THRESHOLD FROM \$2,500 TO \$25,000 TO ALLOW FOR EXPANDED USE OF IMPAC

STATUS:

DUSD(AR) DID NOT ADOPT PROPOSAL. VIRTUALLY SAME RESULT CAN BE ACCOMPLISHED THROUGH BPA AND USE IMPAC FOR PAYMENT. PURCHASE CARD PAT AGREED.

AQC SUBMITTALS (*cont*)

DAVIS-BACON ACT:

RAISE THRESHOLD FROM \$2,000 TO SIMPLIFIED ACQUISITION THRESHOLD AND EXEMPT FOR COMMERCIAL ITEM CONTRACTS.

STATUS:

CLEARED OSD AND WAS SENT TO OMB 10 JAN 97. OMB DISAPPROVED--“INCONSISTENT WITH ADMINISTRATION POLICY” AND DOL OBJECTS TO USING DOD AUTHORIZATION BILL TO AMEND LABOR LAWS.

AQC SUBMITTALS (*cont*)

SERVICE CONTRACT ACT:

RAISE THRESHOLD FROM \$2,500 TO SIMPLIFIED ACQUISITION THRESHOLD AND EXEMPT FOR COMMERCIAL SERVICE/ITEM CONTRACTS.

STATUS:

CLEARED OSD AND WAS SENT TO OMB 10 JAN 97. OMB DISAPPROVED--“INCONSISTENT WITH ADMINISTRATION POLICY” AND DOL OBJECTS TO USING DOD AUTHORIZATION BILL TO AMEND LABOR LAWS.

AQC SUBMITTALS (*cont*)

SYNOPSIS:

ALLOW FOR SYNOPSIS OF FACNET PROCUREMENTS IN FORMAT OTHER THAN CBDs. ADMINISTRATOR OFPP APPROVES THE SYSTEMS.

STATUS:

ADOPTED BY DUSD(AR) BUT CONSOLIDATED WITH ARMY PROPOSAL TO ALLOW FOR ALL PROCUREMENTS--NOT JUST THROUGH FACNET. NOT FORWARDED TO OMB.

OTHER SERVICE SUBMITTALS

RANDOLPH-SHEPPARD ACT:

CLARIFY THE EXCLUSION OF MILITARY DINING FACILITIES
FROM RANDOLPH-SHEPPARD ACT.

STATUS:

CLEARED OSD AND WAS SENT TO OMB 10 JAN 97. STILL
PENDING--DEPARTMENT OF EDUCATION OBJECTED.

OTHER SERVICE SUBMITTALS (cont)

WALSH-HEALEY:

RAISE THRESHOLD FROM \$10,000 TO SIMPLIFIED ACQUISITION THRESHOLD.

STATUS:

CLEARED OSD AND WAS SENT TO OMB 10 JAN 97. OMB DISAPPROVED--“INCONSISTENT WITH ADMINISTRATION POLICY” AND DOL OBJECTS TO USING DOD AUTHORIZATION BILL TO AMEND LABOR LAWS.

OTHER SERVICE SUBMITTALS (cont)

WARRANTY:

REPEAL OF REQUIREMENT FOR WARRANTY IN CONTRACTS
FOR PRODUCTION OF WEAPON SYSTEMS WITH UNIT COST
OF OVER \$100,000.

STATUS:

CLEARED OSD AND SUBMITTED TO OMB 23 JAN 97.
FORWARDED TO CONGRESS 12 MAR 97 AS PART OF OSD
DRAFT FY98 DOD AUTHORIZATION BILL.

OTHER SERVICE SUBMITTALS (cont)

SYNOPSIS:

WAIVE 15-DAY WAIT PERIOD IF SYNOPSIS CONTAINS ENOUGH INFORMATION FOR POTENTIAL OFFEROR TO MAKE DECISION ON OFFERING.

STATUS:

CLEARED OSD AND FORWARDED TO OMB ON 10 JAN 97. DEFERRED BY OMB--COMBINED SYNOPSIS/SOLICITATION FOR COMMERCIAL ITEMS ALREADY PERMITTED. MAY ALSO BE COVERED IN OFPP LEGISLATIVE PROPOSALS.

OTHER SERVICE SUBMITTALS (cont)

PROTESTS:

- DELETE RIGHT TO PROTEST ON COMMERCIAL ITEM PROCUREMENTS
- NO PROTEST UNTIL EXHAUST ALL ADMINISTRATIVE REMEDIES FOR PROCUREMENTS UNDER SIMPLIFIED ACQUISITION THRESHOLD.

STATUS:

NOT ADOPTED BY OSD. PROTESTS HAVE BEEN STEADILY DECLINING SINCE 1992 AND PERCENTAGE OF CONTRACTS PROTESTED LESS THAN .01%. DON'T KNOW IMPACT OF OTHER REFORMS ON PROTESTS. **DID NOT QUANTIFY HARM OF PROTEST ON READINESS, ETC. DEFERRED FOR NEXT TIME AFTER MORE STUDY.**

OTHER SERVICE SUBMITTALS (cont)

CROSS FISCAL YEAR FUNDING:

AUTHORIZE EXPENDITURE OF APPROPRIATED FUNDS FOR CONTRACTS THAT CROSS FISCAL YEAR FOR SEVERABLE SERVICE CONTRACTS. SAME AS ALREADY GIVEN TO OTHER FEDERAL AGENCIES UNDER FASA.

STATUS:

CLEARED OSD AND SUBMITTED TO OMB. FORWARDED TO CONGRESS ON 12 MAR 97 AS PART OF OSD DRAFT FY98 DOD AUTHORIZATION BILL.

OTHER SERVICE SUBMITTALS (cont)

COMPETITION EXCEPTION FOR INTERNATIONAL AGREEMENTS:

REPEAL REQUIREMENT FOR HCA TO DOCUMENT TERMS OF INTERNATIONAL AGREEMENT OF ALLOWING EXCEPTION TO COMPETITION AND FOR COMPETITION ADVOCATE APPROVAL.

STATUS:

CLEARED OSD AND SUBMITTED TO OMB. FORWARDED TO CONGRESS ON 12 MAR 97 AS PART OF OSD DRAFT FY98 DOD AUTHORIZATION BILL.

OTHER SERVICE SUBMITTALS (cont)

SIMPLIFIED PROCEDURES FOR COMMERCIAL ITEM PROCUREMENTS:

DELETE RESTRICTION THAT SIMPLIFIED PROCEDURES CAN ONLY BE USED FOR COMMERCIAL ITEMS WHEN CONTRACTING OFFICER BELIEVES “ONLY” COMMERCIAL ITEMS WILL BE PROPOSED.

STATUS:

CLEARED OSD AND SUBMITTED TO OMB. FORWARDED TO CONGRESS ON 12 MAR 97 AS PART OF OSD DRAFT FY98 DOD AUTHORIZATION BILL.

OTHER SERVICE SUBMITTALS (cont)

SECTION 8(a) OF SMALL BUSINESS ACT:

AUTHORIZE DIRECT CONTRACTING WITH 8(a) FIRMS,
BYPASSING SBA.

STATUS:

CLEARED OSD AND SUBMITTED TO OMB 10 JAN 97.
OMB DISAPPROVED--“NOT DESIRABLE AT THIS TIME.”
SBA BELIEVES THIS CAN BE ACHIEVED THROUGH MOUs
AND DOES NOT WANT TO INVITE POTENTIALLY
UNWANTED AMENDMENTS TO 8(a) PROGRAM.

OTHER SERVICE SUBMITTALS (cont)

AUTHORITY TO DELEGATE APPROVAL OF COMPETITIVE PROCEDURES:

REPEAL OF LIMITATION ON AUTHORITY TO DELEGATE
APPROVAL OF NONCOMPETITIVE PROCEDURES.

STATUS:

CLEARED OSD AND SUBMITTED TO OMB 10 JAN 97.
OMB DISAPPROVED. OFPP BELIEVES BENEFITS OF FULL
AND OPEN COMPETITION OUTWEIGH POTENTIAL
BENEFITS OF THIS PROPOSAL.

PROPOSALS SENT TO CONGRESS 12 MAR 97

REPEAL OF ACQUISITION REPORTS REQUIRED BY DEFENSE AUTHORIZATION ACTS

- REPEAL OF ACQUISITION REPORTS REQUIRED BY DEFENSE AUTHORIZATION ACTS.
- REPEAL OF EXTRANEOUS ACQUISITION REPORTING REQUIREMENTS.
- USE OF SINGLE PAYMENT DATE FOR MIXED INVOICES.
- RETENTION OF EXPIRED FUNDS DURING THE PENDENCY OF CONTRACT LITIGATION.
- EXPANDING THE AUTHORITY TO CROSS FISCAL YEARS TO ALL SEVERABLE SERVICE CONTRACTS NOT EXCEEDING A YEAR.
- SMALL ARMS WEAPONS PROCUREMENT OBJECTIVES FOR THE ARMY.
- AVAILABILITY OF SIMPLIFIED PROCEDURES TO COMMERCIAL ITEM PROCUREMENTS.

PROPOSALS SENT TO CONGRESS 12 MAR 97 (cont)

REPEAL OF ACQUISITION REPORTS REQUIRED BY DEFENSE AUTHORIZATION ACTS (cont)

- UNIT COST REPORTS.
- REPEAL OF ADDITIONAL DOCUMENTATION REQUIREMENT FOR COMPETITION EXCEPTION FOR INTERNATIONAL AGREEMENTS.
- ELIMINATION OF DRUG-FREE WORKPLACE CERTIFICATION REQUIREMENTS FOR GRANTS.
- VESTITURE OF TITLE.
- UNDEFINITIZED CONTRACT ACTIONS.
- AUTHORITY OF DIRECTORS OF DEPARTMENT OF DEFENSE AGENCIES TO LEASE NON-EXCESS PROPERTY.

CONGRESSIONAL BILLS

- **“FREEDOM FROM GOVERNMENT COMPETITION ACT”**
 - **REQUIRE FEDERAL AGENCIES TO PROCURE FROM PRIVATE SECTOR ALL COMMERCIAL GOODS AND SERVICES EXCEPT:**
 - **“INHERENTLY GOVERNMENTAL”**
 - **NATIONAL SECURITY**
 - **FEDERAL GOVERNMENT IS “BEST VALUE”**
 - **PRIVATE SECTOR CANNOT SATISFY GOVERNMENT REQUIREMENTS**

- **INTRODUCED 12 FEB 97**
 - **S-314 SEN THOMAS (R-WY)**
 - **HR-716 REP DUNCAN (D-TN)**

CONGRESSIONAL BILLS (cont)

- **“PAYOFFS-FOR-LAYOFFS CORPORATE WELFARE ELIMINATION ACT OF 1997”**
 - **REPEAL SECTION 818 OF FY95 DOD AUTHORIZATION BILL AND PROHIBIT DOD FROM ALLOWING DEFENSE CONTRACTORS TO RECOUP MERGER-RELATED RESTRUCTURING COSTS**
- **INTRODUCED 5 MAR 97**
 - **HR-925 REP SMITH (R-NJ) AND REP SANDERS (I-VT)**

CONGRESSIONAL BILLS (cont)

■ TIMELY BIDS

- REQUIRE FEDERAL GOVERNMENT TO CONSIDER AS TIMELY ANY SEALED BID SENT VIA OVERNIGHT MESSAGE DELIVERY SERVICE AT LEAST 2 WORKING DAYS BEFORE DUE DATE .

■ INTRODUCED 4 FEB 97

- HR-580 REP MINK (D-HI)

CONGRESSIONAL BILLS (cont)

- **“BOEING-MCDONNELL DOUGLAS CORPORATE WELFARE ELIMINATION ACT OF 1997”**
 - **MAKES RESTRUCTURING COSTS OF SPECIFIC PROPOSED MERGER UNALLOWABLE**

- **INTRODUCED 6 FEB 97**
 - **HR-648 REP SMITH (R-NJ) AND REP SANDERS (I-VT)**

CONGRESSIONAL BILLS (cont)

- **DAVIS-BACON ACT**

- **REQUIRE THAT CONTRACT WORK COVERED BY DAVIS-BACON ACT WHICH REQUIRES LICENSING BE PERFORMED BY LICENSED PERSON**

- **INTRODUCED 4 FEB 97**

- **HR-571 REP MINK (D-HI)**

ACQUISITION REFORM WORKING GROUP (ARWG) PROPOSALS

AEROSPACE INDUSTRIES ASSOCIATION

**AMERICAN DEFENSE PREPAREDNESS ASSOCIATION/ NATIONAL
SECURITY INDUSTRIAL ASSOCIATION**

AMERICAN ELECTRONICS ASSOCIATION

CONTRACT SERVICES ASSOCIATION

ELECTRONIC INDUSTRIES ASSOCIATION

PROFESSIONAL SERVICES COUNCIL

SHIPBUILDERS COUNCIL OF AMERICA

✓ 6 MAR 97 SUBMITTED 27 LEGISLATIVE PROPOSALS TO OSD

ACQUISITION REFORM WORKING GROUP (ARWG) PROPOSALS (cont)

FEDERAL PRISON INDUSTRIES (FPI):

TERMINATE FPI's STATUS AS MANDATORY SOURCE FOR FEDERAL AGENCIES.

SERVICE CONTRACT ACT:

RAISE THRESHOLD FROM \$2,500 TO SIMPLIFIED ACQUISITION THRESHOLD.

WARRANTIES:

REPEAL WEAPON SYSTEM WARRANTY REQUIREMENTS.

ACQUISITION REFORM WORKING GROUP (ARWG) PROPOSALS (cont)

CERTS, REPS, DECLARATIONS, ETC.:

REQUIRE ALL EXECUTIVE BRANCH AGENCIES TO ELIMINATE NONSTATUORY CERTIFICATIONS. THIS INCLUDES THOSE IMPOSED BY REGULATION.

STATUTORY COST PRINCIPLES:

REPEAL THE COST PRINCIPLES WITH RESPECT TO ALLOWABILITY OF SPECIFIC COSTS (ENTERTAINMENT, FINES, DONATIONS).

ACQUISITION REFORM WORKING GROUP (ARWG) PROPOSALS (cont)

BUY AMERICAN:

MODIFY RULE OF ORIGIN FROM “50% COMPONENT TEST” TO “SUBSTANTIAL TRANSFORMATION TEST”.

EXECUTIVE COMPENSATION:

OPPOSES IMPOSITION OF CAPS OR RESTRICTIONS ON ALLOWABILITY OF EXECUTIVE COMPENSATION.

ACQUISITION REFORM WORKING GROUP (ARWG) PROPOSALS (cont)

COMMERCIAL ITEM PROCUREMENTS:

EXEMPT FROM A NUMBER OF STATUTES, INCLUDING:

- ✓ DOMESTIC SOURCE PREFERENCES/RESTRICTIONS
- ✓ RIGHTS IN TECHNICAL DATA
- ✓ SDB
- ✓ DEFENSE PRODUCTION ACT